the small-scale industries? May I know from the Minister whether they are going to relax the norms that have already been suggested by these Committees by giving more working funds? May I also know whether they are going to lessen the interest that is already charged by the banks? That is one thing I want to know from the Minister.

One more thing, Sir, about bills not being paid by the large industries to the small industries. The hon. Minister has said that it is something like a contract. But I may inform him that in countries like Japan where the small industries are not paid their bills by the large industries within 45 days they are being penalised. That kind of law is already in vogue in Japan. The point is, small industries are dependent on the large industries for their supply and these big industries use the funds of small-scale industries as their working capital. So unless some law is made that the amount must be paid within a short duration of time, the small industries will not be able to survive and they will not be able to do without the big industries because once they say that the payment terms have to be strict, large industries will not give them any order. They are are at their mercy. May I know from the Minister whether the Government would look into this matter and do something about it?

SHRI EDUARDO FALEIRO: Sir, at the moment, IDBI is looking into all types of industries. The advantage, the hon. Member wanted to know, in setting up of SIDBI is to concentrate on small-scale industries alone and that will be the focal point and we will involve representatives from other departments also. Therefore, it will give a fillip in our view and in our expectations, to the development and support to the small-scale industries. As far as the working capital delays are concerned, I would like to say that instructions have been issued by the Reserve Bank of India that the working capital should be sanctioned four months before the unit goes into production so that the unit does not suffer after it goes into production for lack of working capital. As far as the term-loan is concerned, within two or thre months from the date of furnishing the complete information, term-loan must be sanctioned. About the other observations made by the hon. Member, I will keep them in mind.

Textile tie up with Foreign Countries

*124. SHRI SURESH PACHOURI: Will the Minister of TEXTILES be pleased to state:

(a) whether he visited a number of countries with a high level delegation during December, 1988;

(b) if so, whether any textile tie-ups with any of those countries have materialised; and

(c) what are the details of the agreements reached in this regard?

THE MINISTER OF TEXTILES AND THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI RAM NIWAS MIRDHA): (a) to (c) A statement is laid on the Table of the House.

Statement

A high level delegation led by the Minister for Textiles visited Hongkong, Japan, Republic of Korea and Singapore from 27th November, 1988 to 8th December, 1988 to explore possibilities of joint ventures and technical and market collaborations between entrepreneurs in these countries and the Indian manufacturers. The delegation held meetings with a number of prominent manufacturers and trading houses besides associations of importers and chambers of commerce in the countries visited and found an

enthusiastic response from them for collaborations and joint ventures. It is hoped the contract developed would lead to some tie-ups in due course.

SHRI SURESH PACHOURI: Mr. Chairman, Sir, the hon. Minister has replied that manufacturers and trading houses were also contacted during his visit abroad. I would like to know how many such manufacturers and trading houses have agreed to help and assist the textile tie-ups with India; whether these tie-ups will help in modernising our textile mills in the country and if so, to what extent, these tie-ups will give fillip to the textile mills in our country, which are, at present, on the verge of closure in various States like Gujarat, U.P., Maharashtra and Madhya Pradesh.

SHRI RAM NIWAS MIRDHA: Sir, this delegation which visited these countries in the East, was not meant to negotiate the actual deal because the time avaliable was very short and so many things have to be looked into before a deal is struck. The visit of this delegation to various countries was merely to acquaint the manufacturers, the traders, the trading houses in those countries with the capacity of the Indian textile industry, particularly, the Government industries as well as our needs. I am glad to say that as a result of contact established during these visits, various sectors of industries of the Government, textile manufacturers and others, have started receiving a lot of inquiries and the Government fair, which was recently held in our country, attracted a number of people who never used to come before because they were not even aware of the vast variety of textiles that we can offer to them, the type of design capability we have, the type of wonderful fabrics and handlooms that we have. So, Sir it is too early to say what actually would result out of this. What I can say is that there is greater awareness in these countries with which our trade was minimal up till now. Now, Japan for example, Sir. Our export to Japan in textiles and particularly the Government export was almost nothing. It is a very rich booming country with a lot of economic activity going on and there is no reason why we should not make a serious attempt to enter there or the South Korean market. So, some attempt has been made and I hope, the result would follow in course of time.

SHRI SURESH PACHOURI: Sir, the hon. Minister has quoted Japan. I would like to know whether it is a fact that in absence of adequate synthetic base in India, joint ventures and collaborations with manufacturers in Japan, Korea, Hong Kong Singapore for the manufacture of garments and textile items will go a long way in boosting exports to other quota and non-quota markets, such as Australia, Switzerland and Soviet Union; if so, whether agreements in this regard have been reached with all these countries, and what are the main features of the same and by what time, they are likely to be implemented.

SHRI RAM NIWAS MIRDHA: I will again repeat that no concrete agreements took place but as I said, I gave the instance of the Japanese market because we have no presence there as of now and I would not agree with the hon. Member that we do not have a base in synthetics. We are making synthetic fibres, we are making synthetic yarns and blended cloth and our exports in these areas are increasing. Though our competence and Quality is good and we are doing whatever we can in this respect, the problem is about exploiting a vast number of non-quota countries like Australia and Japan, which the hon. Member has mentioned. He has raised a number of important points which are already before us.

The main thrust from now onwards is on the non-quota countries or non-quota items in quota countries because utilisation of quota in quota contries is almost full, cent per cent. There is not much of scope there. Those countries are becoming restrictive. They are imposing all sorts of restrictions on our export to those countries, we have to look to newer markets and Japan, Australia and the eastern market being non-quota, our thrust now is that we should exploit those market for our benefit.

SHRI BIR BHADRA PRATAP SINGH: Sir, I would like to know whether the hon. Minister is aware that the Delhi High Court has struck down the quota policy for 1988-89 for the reasons that *prima facie*, it is a tax without authority in any valid law and what the Government proposes to do now to refund approximately Rs. 20 crores which had been collected.

SHRI RAM NIWAS MIRDHA: We are aware of the judgment of the High Court. We are taking legal advice in this and further action will be taken in the light of what legal advice we get.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Change in the Management ethos of Banks

*125. SHRIMATI SURYAKANTA JAYAWANTRAO PATIL:
SHRI KAPIL VERMA:

Will the Minister of FINANCE be pleased to state:

(a) what steps are being taken to break the nexus between big business and commercial banking in the context of the Prime Minister's reported observations at Bombay on January 24, this year; and

(b) what steps are being taken to introduce democratic character in the management of banks?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) The banking system in the country has been striving continuously in the past two decades, both in terms of its spread and in deployment of credit, to meet increasingly the needs of the small borrowers. All Scheduled Commercial Banks are required to provide a substantial portion of their outstanding credit in favour of borrowers in priority sector which includes *inter-alia* agriculture, small sacle industry, small business, poverty alleviation programmes and schemes for self-employment of weaker sections. During the period, the major thrust in branch expansion too has been in rural/semi urban areas. Due emphasis is also being given in the management of banks to make them more and more responsive to public needs.

Smuggling of Drugs

126. SHRI SHAMIM HASHMI:
SHRI RAM AWADHESH SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the report which appeared in the 'Times of India' of the 2nd January, 1989 regarding clandestine operation of a drug syndicate by opening a new route for the smuggling of drugs to the international market through Calcutta in close liaison with the poppy growers of Uttar Pradesh; and

(b) if so, what is Central Government's reaction thereto?